



Senate Bill No. 263

Public Act No. 21-10

AN ACT REESTABLISHING CLUB AND NONPROFIT CLUB PERMITS.

Be it enacted by the Senate and House of Representatives in General Assembly convened:

Section 1. (NEW) (*Effective from passage*) (a) As used in this section, "club" means an association of persons, whether incorporated or unincorporated, (1) (A) that has been in existence as a bona fide organization for at least three years prior to applying for a permit issued as provided in chapter 545 of the general statutes, or (B) that has been a bona fide national or international fraternal or social organization or affiliation thereof which has been in existence in this state for one year, (2) for the promotion of some common object, not including associations organized for any commercial or business purpose the object of which is money profit, owning, hiring or leasing a building, or space in a building, or having substantial control of a building or space therein, of such extent and character as, in the judgment of the department, may be suitable and adequate for the reasonable and comfortable use and accommodation of its members and their guests. A club permit shall allow the retail sale of alcoholic liquor to be consumed on the premises of a club but only by members or their guests. The annual fee for a club permit shall be three hundred dollars.

(b) The department shall determine which clubs it finds to be bona

Senate Bill No. 263

fide and for such clubs as the department finds to be bona fide and which offer facilities and privileges in addition to the privileges of the club building, such as golf, tennis, bathing or beach facilities, hunting or riding, the three-year requirement of subdivision (1) of subsection (a) of this section shall not apply. Any such club shall be required to (1) file with the department, upon request, within ten days of February first in each year, a list of the names and residences of its members, and shall similarly file, within ten days of the election of any additional member, the member's name and address, (2) have aggregate annual membership fees or dues and other income, exclusive of any proceeds of the sale of alcoholic liquor, that is sufficient to defray the annual rental of its leased or rented premises, or, if such premises are owned by the club, sufficient to meet the taxes, insurance and repairs and the interest on any mortgage thereof, and (3) have its affairs and management be conducted by a board of directors, executive committee or similar body chosen by the members at their annual meeting. No member or any officer, agent or employee of the club shall be paid or, directly or indirectly, shall receive in the form of salary or other compensation any profits from the disposition or sale of alcoholic liquor to the club or to the members of the club or its guests introduced by members, beyond the amount of such salary as may be fixed and voted at annual meetings by the members or by its directors or other governing body and as reported by the club to the department, within three months after such annual meeting, and as, in the judgment of the department, is reasonable and proper compensation for the services of such member, officer, agent or employee.

(c) As used in this subsection, "nonprofit club" means a club that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code and is described in Section 501(c) of the code. A nonprofit club permit shall allow the retail sale of alcoholic liquor to be consumed on the premises of a nonprofit club by members or their guests and by persons other than members or their guests, provided the total receipts

Senate Bill No. 263

of such club in any year, including receipts from the sale of alcoholic liquor, derived from making its facilities and services available to such persons in furtherance of such club's recreational or other nonprofit purpose, shall not exceed fifteen per cent of such club's gross receipts for such year. The annual fee for a nonprofit club permit shall be eight hundred fifteen dollars.

Sec. 2. Subsections (g) to (m), inclusive, of section 30-22a of the general statutes are repealed and the following is substituted in lieu thereof (*Effective from passage*):

(g) For purposes of compliance with this section, "cafe" shall include the premises and grounds of a golf country club, defined as (1) an association of persons, whether incorporated or unincorporated, that has been in existence as a bona fide organization for at least one year prior to applying for a permit issued as provided by this chapter, or that at the time of applying for the permit is in existence as a bona fide organization and has not less than twenty members who have paid annual membership fees or dues and have signed affidavits of their intention to remain members of the association for not less than one year after that time, not including associations organized for any commercial or business purpose the object of which is money profit, which maintains a golf course of not less than eighteen holes and a course length of at least fifty-five hundred yards and a club house with facilities that include locker rooms, a dining room and a lounge; provided the club shall file with the department, upon request, within ten days of February first in each year, a list of the names and residences of its members, and shall similarly file, within ten days of the election of any additional member, his name and address, and provided its aggregate annual membership fees or dues and other income, exclusive of any proceeds of the sale of alcoholic liquor, shall be sufficient to defray the annual rental of its leased or rented premises, or, if the premises are owned by the club, shall be sufficient to meet the taxes, insurance and

Senate Bill No. 263

repairs and the interest on any mortgage thereof; and provided, further, its affairs and management shall be conducted by a board of directors, executive committee or similar body chosen by the members at their annual meeting, and no member or any officer, agent or employee of the club shall be paid or, directly or indirectly, shall receive in the form of salary or other compensation any profits from the disposition or sale of alcoholic liquor to the club or to the members of the club or its guests introduced by members, beyond the amount of such salary as may be fixed and voted at annual meetings by the members or by its directors or other governing body and as reported by the club to the department, within three months after the annual meeting, and as is, in the judgment of the department, reasonable and proper compensation for the services of such member, officer, agent or employee; or (2) an association of persons, whether incorporated or unincorporated, which has been in existence as a bona fide organization for at least one year prior to applying for a permit issued as provided by this chapter, or which at the time of applying for the permit is in existence as a bona fide organization and has not less than twenty members who have paid annual membership fees or dues and is directly or indirectly wholly owned by a corporation which is and continues to be nonprofit and to which the Internal Revenue Service has issued a ruling classifying it as an exempt organization under Section 501(c) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, which maintains a golf course of not less than eighteen holes and a course length of at least fifty-five hundred yards and a club house with facilities which include locker rooms, a dining room and a lounge; provided the club shall file with the department, upon request, within ten days of February first in each year, a list of the names and residences of its members, and shall similarly file, within ten days of the admission of any additional member, his name and address. The nonprofit corporation shall demonstrate to the commission an ability to pay any operating deficit of the golf country club, exclusive of any proceeds of the sale of alcoholic liquor; and

Senate Bill No. 263

provided, further, the affairs and the management of the nonprofit corporation are conducted by a board of directors, executive committee or similar body at least forty per cent of the members of which are chosen by the members of the nonprofit corporation at their annual meeting and the balance of the members of the board of directors are professionals chosen for their knowledge of the business of the nonprofit corporation, and all moneys earned by the golf country club shall be used to defray its expenses of operation or for charitable purposes, and any balance shall be directly or indirectly remitted to the nonprofit corporation.

[(h) For purposes of compliance with this section, "cafe" shall include the premises of a club but only by members or their guests, a club being defined as an association of persons, whether incorporated or unincorporated, which has been in existence as a bona fide organization for at least three years prior to applying for a permit issued as provided by this chapter, or has been a bona fide national or international fraternal or social organization or affiliation thereof which has been in existence in this state for one year, for the promotion of some common object, not including associations organized for any commercial or business purpose the object of which is money profit, owning, hiring or leasing a building, or space in a building, or having substantial control of a building or space therein, of such extent and character as, in the judgment of the department, may be suitable and adequate for the reasonable and comfortable use and accommodation of its members and their guests; provided, as to such clubs as the department finds to be bona fide and which offer facilities and privileges in addition to the privileges of the club building, such as golf, tennis, bathing or beach facilities, hunting or riding, the three-year requirement shall not apply; and provided such club shall file with the department, upon request, within ten days of February first in each year, a list of the names and residences of its members, and shall similarly file, within ten days of the election of any additional member, his name and address, and provided

Senate Bill No. 263

its aggregate annual membership fees or dues and other income, exclusive of any proceeds of the sale of alcoholic liquor, shall be sufficient to defray the annual rental of its leased or rented premises, or, if such premises are owned by the club, shall be sufficient to meet the taxes, insurance and repairs and the interest on any mortgage thereof; and provided, further, its affairs and management shall be conducted by a board of directors, executive committee or similar body chosen by the members at their annual meeting, and no member or any officer, agent or employee of the club shall be paid or, directly or indirectly, shall receive in the form of salary or other compensation any profits from the disposition or sale of alcoholic liquor to the club or to the members of the club or its guests introduced by members, beyond the amount of such salary as may be fixed and voted at annual meetings by the members or by its directors or other governing body and as reported by the club to the department, within three months after such annual meeting, and as, in the judgment of the department, is reasonable and proper compensation for the services of such member, officer, agent or employee.

(i) For purposes of compliance with this section, "cafe" shall include the retail sale of alcoholic liquor to be consumed on the premises of a nonprofit club by members or their guests and by persons other than members or their guests, provided the total receipts of such club in any year, including receipts from the sale of alcoholic liquor, derived from making its facilities and services available to such persons in furtherance of such club's recreational or other nonprofit purpose shall not exceed fifteen per cent of such club's gross receipts for such year. "Nonprofit club" means a club that is exempt from federal income tax under Section 501(a) of the Internal Revenue Code of 1986, or any subsequent corresponding internal revenue code of the United States, as amended from time to time, and is described in said Section 501(c).]

[(j)] (h) For purposes of compliance with this section, "cafe" shall

Senate Bill No. 263

include the sale and public consumption of alcoholic liquor by passengers with or without meals upon any one designated boat engaged in the transportation of passengers for hire to or from any port in this state.

[(k)] (i) For purposes of compliance with this section, "cafe" shall include any corporation that operates a railway in this state or that operates club, parlor, dining, buffet or lounge cars upon the lines of any such railway in this state. It shall allow the sale and public consumption of alcoholic liquor in any club, parlor, dining, buffet or lounge car of a passenger train operated in this state. It shall be subject to all the privileges, obligations and penalties provided for in this chapter except that it shall be issued to a corporation instead of to a person and if it is revoked, another application may be made by the corporation for the issuance of another railroad permit at any time after the expiration of one year after such revocation.

[(l)] (j) For purposes of compliance with this section, "cafe" shall include a facility designed, constructed and used for corporate and private parties, sporting events, concerts, exhibitions, trade shows, entertainment presentations, conventions, banquets, meetings, dances, fund-raising events and similar functions, located on a tract of land of not less than twenty acres containing an enclosed roofed pavilion constructed to seat not less than two hundred fifty people, where hot meals are regularly served in an adequate and sanitary dining area, such meals having been prepared in an adequate and sanitary kitchen on the premises, and employing an adequate number of employees who shall serve only persons who are at such outing facility to attend an event, function, private party or banquet.

[(m)] (k) For purposes of compliance with this section, "cafe" shall include a room or building that is subject to the care, custody and control of The University of Connecticut Board of Trustees, or (2) on land or in a building situated on or abutting a golf course which is subject to the

Senate Bill No. 263

care, custody and control of an institution offering a program of higher learning, as defined in section 10a-34, which has been accredited by the Board of Regents for Higher Education or Office of Higher Education or otherwise is authorized to award a degree pursuant to section 10a-34.

Sec. 3. (NEW) (*Effective from passage*) The holder of a cafe permit issued for a club or nonprofit club prior to July 1, 2021, pursuant to section 30-22a of the general statutes, as amended by this act, may continue to hold such permit until such permit becomes due for renewal or until such time as a replacement permit becomes available for such permit holder to obtain under section 1 of this act.

Sec. 4. (*Effective from passage*) Notwithstanding the provisions of subsection (f) of section 21a-4 of the general statutes, the Commissioner of Consumer Protection shall refund to any prior holder of (1) a club permit issued pursuant to section 30-23 of the general statutes, the portion of the annual fee paid by such permittee in excess of three hundred dollars to obtain a cafe permit under section 30-22a of the general statutes, as amended by this act, and (2) a nonprofit club permit issued pursuant to section 30-23 of the general statutes, the portion of the annual fee paid by such permittee in excess of eight hundred fifteen dollars to obtain a cafe permit under section 30-22a of the general statutes, as amended by this act, if such excess amount was paid by such permittee on or after July 1, 2020, until July 1, 2021.

Sec. 5. Section 30-23a of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

No person shall be construed to be a guest of a member of a club within the intent of section [30-23] 1 of this act or of a golf country club within the intent of section 30-24a until such person's name and address has been entered in the guest book maintained for such purposes on the club or golf country club premises, together with the signature of the member and the date of introduction, provided neither the permittee

Senate Bill No. 263

nor any person employed to dispense alcoholic beverages on such premises, during his working hours on such premises, shall enter such person's name in such book. The requirement of this section (1) shall not apply to a member of any nationally chartered veterans' service organization when such member enters a club run by such organization that is not such member's home club, but is affiliated with the same organization, provided such member shall show a membership, travel card or similar identification as a member of such organization upon entry to such club, and (2) may be waived by the Department of Consumer Protection on special occasions upon written application.

Sec. 6. Section 30-1 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

For the interpretation of this chapter and section 1 of this act, unless the context indicates a different meaning:

(1) "Airline" means any United States airline carrier, holding a certificate of public convenience and necessity from the Civil Aeronautics Board under Section 401 of the Federal Aviation Act of 1958, as amended, or any foreign flag carrier, holding a permit under Section 402 of such act.

(2) "Alcohol" means the product of distillation of any fermented liquid, rectified either once or more often, whatever may be the origin thereof, and includes synthetic ethyl alcohol which is considered nonpotable.

(3) "Alcoholic liquor" or "alcoholic beverage" includes the four varieties of liquor defined in subdivisions (2), (5), [(16)] (18) and [(17)] (19) of this section (alcohol, beer, spirits and wine) and every liquid or solid, patented or not, containing alcohol, spirits, wine or beer and capable of being consumed by a human being for beverage purposes. Any liquid or solid containing more than one of the four varieties so

Senate Bill No. 263

defined is considered as belonging to that variety which has the higher percentage of alcohol, according to the following order: Alcohol, spirits, wine and beer, except as provided in subdivision [(20)] (19) of this section. The provisions of this chapter shall not apply to any liquid or solid containing less than one-half of one per cent of alcohol by volume.

(4) "Backer" means, except in cases where the permittee is himself the proprietor, the proprietor of any business or club, incorporated or unincorporated, engaged in the manufacture or sale of alcoholic liquor, in which business a permittee is associated, whether as employee, agent or part owner.

(5) "Beer" means any beverage obtained by the alcoholic fermentation of an infusion or decoction of barley, malt and hops in drinking water.

(6) (A) "Case price" means the price of a container of cardboard, wood or other material, containing units of the same size and class of alcoholic liquor, and (B) a case of alcoholic liquor, other than beer, cordials, cocktails, wines and prepared mixed drinks, shall be in the number and quantity, or fewer, with the permission of the Commissioner of Consumer Protection, of units or bottles as follows: (i) Six one thousand seven hundred fifty milliliter bottles; (ii) twelve one liter bottles; (iii) twelve seven hundred fifty milliliter bottles; (iv) twenty-four three hundred seventy-five milliliter bottles; (v) forty-eight two hundred milliliter bottles; (vi) sixty one hundred milliliter bottles; or (vii) one hundred twenty five milliliter bottles, except a case of fifty milliliter bottles may be in a number and quantity as originally configured, packaged and sold by the manufacturer or out-of-state shipper prior to shipment, provided such number of bottles does not exceed two hundred. The commissioner shall not authorize fewer numbers or quantities of units or bottles as specified in this subdivision for any one person or entity more than eight times in any calendar year. For the purposes of this subdivision, "class" has the same meaning as defined in 27 CFR 5.22 for spirits, as defined in 27 CFR 4.21 for wine, and as defined

Senate Bill No. 263

in 27 CFR 7.24 for beer.

(7) "Charitable organization" means any nonprofit organization organized for charitable purposes to which has been issued a ruling by the Internal Revenue Service classifying it as an exempt organization under Section 501(c)(3) of the Internal Revenue Code.

(8) "Club" has the same meaning as provided in section 1 of this act.

[(8)] (9) "Coliseum" means a coliseum, as defined in section 30-33a.

[(9)] (10) "Commission" means the Liquor Control Commission. [and "department" means the Department of Consumer Protection.]

(11) "Department" means the Department of Consumer Protection.

[(10)] (12) "Mead" means fermented honey, with or without adjunct ingredients or additions, regardless of alcohol content, regardless of process, and regardless of being sparkling, carbonated or still.

[(11)] (13) "Minor" means any person under twenty-one years of age.

[(12)] (14) "Person" means natural person including partners but shall not include corporations, limited liability companies, joint stock companies or other associations of natural persons.

[(13)] (15) "Proprietor" [shall include] includes all owners of businesses or clubs, included in subdivision (4) of this section, whether such owners are individuals, partners, joint stock companies, fiduciaries, stockholders of corporations or otherwise, but [shall] does not include persons or corporations who are merely creditors of such businesses or clubs, whether as note holders, bond holders, landlords or franchisors.

[(14)] (16) "Dining room" means a room or rooms in premises operating under a hotel permit, hotel beer permit, restaurant permit,

Senate Bill No. 263

restaurant permit for beer, where meals are customarily served, within the room or rooms, to any member of the public who has means of payment and proper demeanor.

[(15)] (17) "Restaurant" means a restaurant, as defined in section 30-22.

[(16)] (18) "Spirits" means any beverage that contains alcohol obtained by distillation mixed with drinkable water and other substances in solution, including brandy, rum, whiskey and gin.

[(17)] (19) "Wine" means any alcoholic beverage obtained by the fermentation of the natural sugar content of fruits, such as grapes or apples or other agricultural products, containing sugar, including fortified wines such as port, sherry and champagne.

[(18)] (20) "Nonprofit public television corporation" means a nonprofit public television corporation, as defined in section 30-37d.

(21) "Nonprofit club" has the same meaning as provided in section 1 of this act.

Sec. 7. Subsection (b) of section 30-37f of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

(b) Sections 30-9 to 30-13a, inclusive, section [30-23] 1 of this act, subdivision (2) of subsection (b) of section 30-39, subsection (c) of section 30-39 and sections 30-44, 30-46, 30-48a and 30-91a shall not apply to any class of airport permit.

Sec. 8. Section 30-38 of the general statutes is repealed and the following is substituted in lieu thereof (*Effective from passage*):

Each permit granted under the provisions of section 30-16, 30-17, 30-20, 30-20a, 30-21, 30-21b, 30-22, 30-22a, as amended by this act, [30-23] 1

Senate Bill No. 263

of this act, 30-24a, 30-26, 30-28, 30-28a, 30-29, 30-33a, 30-33b, 30-36, 30-37c or 30-37e, shall also, under the regulations of the Department of Consumer Protection, allow the storage, on the premises and at one other secure location registered with and approved by the department, of sufficient quantities of alcoholic liquor respectively allowed to be sold under such permits as may be necessary for the business conducted by the respective permittees or their backers; but no such permit shall be granted under the provisions of section 30-16 or 30-17 unless such storage facilities are provided and the place of storage receives the approval of the department as to suitability, and thereafter no place of storage shall be changed nor any new place of storage utilized without the approval of the department.

Approved May 13, 2021